2001 First quarter results

Financial Summary

The strong performance of our major markets and the contribution of Tryp have enabled the company to increase Revenues and EBITDA by 33% and 21% respectively. EBITDAR – EBITDA excluding Rentals – has increased by 29%. Excluding the effect of the disposal of the Meliá Bávaro, EBITDA would have increased by 31.7%. Furthermore, historically the contribution of the first quarter has been lower with a 15% contribution in terms of EBITDA. Net profits have increased by 18.3% thanks in part to the EUR 7.5 Million of capital gains from the disposal of a percentage stake in Prodigios to BSCH and the positive fiscal impact of the Goodwill generated in the Tryp transaction that puts the tax rate at 18%

Operations

The company is pleased to confirm the generation of synergies from Tryp hotels in both the City and Resort segments. The adequacy of Sol Melia´s commercialisation and pricing system has led to a 20% increase in RevPar of such hotels. The European City Division which RevPar has increased by 10.2% has benefited from substantial increases in room rates derived from the strength of the Spanish city hotel market that has produced an increase in RevPar of 17%,. Latin America has seen an excellent 11.3% RevPar increase for the quarter. RevPar in European Resorts has increased by 5.2%. The results for this Division for the first quarter are not particularly significant and the prospects for the summer season remain positive. Management fees have increased by 16%.

Recent Developments

During the first quarter of 2001, Sol Meliá has announced a new brand structure which will see a reduction in the number of brands, clarifying their perception in the market and the different categories and segments to which each brand corresponds. The new brand structure comprises the 4 major brands: Meliá, Tryp, Sol and Paradisus, and will require a total investment of EUR 12 million, of which 50% will be assumed by Sol Meliá.

Meliá Viajes, the multi-channel Travel Agency owned by the company has been successfully launched recently providing a choice of 53,000 hotels, 747 airlines and 48 car rental companies, as well as holiday packages. Meliá Viajes is using the very latest state-of-the-art technology after a total investment of EUR 24 Million.

Meliá Viajes will also soon become the exclusive provider of travel reservation services through AOL-Avant, the portal in which Sol Meliá has a 6.2% stake.

MAIN VARIABLES

(Million Euro)	Mar-01	Mar -00	% Incr.
REVPAR (Euros)	47	43	9%
REVENUE	235	177	33%
EBITDA	71	58	21%
EBITDAR	79	61	29%
EBITDAR MARGIN	34%	34%	
NET PROFIT.	31	26	18%
CASH FLOW OP	59	48	22%
GEARING (May.15th) (*)	55%	34%	

(*) Net debt to market cap.

Prospects

The evolution of Tour Operator sales and the positive performance of our resorts during the Easter holidays makes us feel comfortable about the coming summer season and the contribution of the European Resort Division on a consolidated level. The company foresees further growth in the Spanish city market for the rest of the year and a positive trend in Latin America

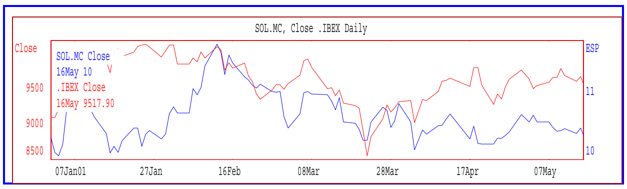
Tryp Hotels is progressing very satisfactorily, and the company believes that it will achieve expectations regarding the forecasted EUR 7 million savings generated by synergies

Sol Meliá has 79 hotel development projects which represent 17,629 rooms to be incorporated over the coming two years.

Sol Meliá Performance

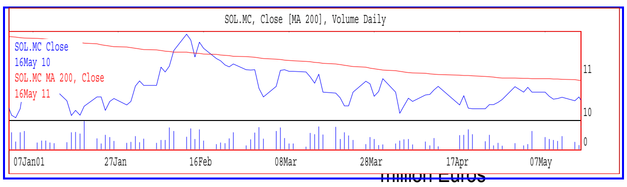
As of December, 31	1999	2000(*)	1Q01
Net Profit (M. Euros)	88	113	30.6
EPS	0.5	0.63	0.17
CFPS	0.9	1.14	0.32

(*) Assuming half of the 13.2 million shares issued in the Tryp acquisition



Stock Performance Jan 3, 01 to May 15, 01

Average Daily Volume:	5,047,538 Euros
Period High,	11.85 Euros
Period Low,	9.62 Euros
Stock Price May 15th ´01	10.4 Euros
Number of shares outstanding	184,776,777
Market Capitalisation May , 15th 01	1,921,678,481 Euros



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1. Letter from the C.F.O.

Dear friend,

The most remarkable achievements during the first quarter of 2001 that the company would like to emphasise have been the definition of the new Sol Meliá brand structure, the successful launch of Meliá Viajes, our multi-channel Travel Agency, and the realisation of synergies with Tryp hotels, reflected in an increase in A.D.R. of more than 18% as compared to last year.

After the purchase of Tryp hotels, the company has reorganised its brand structure to reduce the number of brands in its portfolio and facilitate the launch of a new TRYP hotel brand for domestic and international city hotels in the three and four star categories. The new brand structure comprises 4 major brands: Meliá, TRYP, Sol and Paradisus. The Meliá brand is the most widely-recognised brand in Spain, with brand awareness levels above 90%. The company will also maintain the sub-brand Gran Meliá due to its high levels of brand recognition and prestige.

The new brand structure aims to clarify the perception of the different categories and segments to which each brand corresponds and will involve a total investment of EUR 12 million.

The restructuring of our brands is another in a series of operational achievements in the most recent years. Over this period we have not only acquired Tryp hotels, but we have also signed agreements to add 18,000 rooms over the next two years. Moreover, we have also renovated a large part of our hotel portfolio and upgraded many properties. In addition, we are nearing completion of the e-transformation of the company, providing a basis for greater efficiency and cost savings in the medium term.

During the first quarter, Sol Meliá has also successfully launched Meliá Viajes, a multi-channel Travel Agency 100% owned by the company. Meliá Viajes will employ sophisticated state-of-the-art technology to sell products which include 53,000 hotels, 747 airlines and 48 car hire companies, as well as standard and customised holiday packages. This "one-stop shopping site" will allow customers to assemble their own holiday packages dynamically using the products and rates negotiated by Meliá Viajes with travel suppliers.

The total investment in Meliá Viajes is EUR 24 million. The company will also enjoy exclusivity rights on travel reservation services in the travel channel of the AOL-Avant portal site.

During the first quarter of 2,001 the company has issued EUR 340 million in bonds as part of the European Medium Term Note programme signed last year. The funds will be dedicated to the financing of the Tryp acquisition and refinance existing debt. The maturity of the issue is five years while the coupon is 6.25%. The issue has benefited from our BBB (stable outlook) rating from Standard & Poors.

For the first quarter of this year we are pleased to report increases of 21% and 29% in EBITDA and EBITDAR respectively. The strong performance of our major markets, especially in our European City Division, and the contribution of Tryp hotels are behind a large part of the mentioned growth.

It should be borne in mind that the company has reduced capacity in the Dominican Republic – 750 rooms - and in the Canary Islands – 479 rooms – compared to the the first quarter of last year. Excluding these effects, EBITDA would have grown by 31.7%. In addition, Tryp is seasonal. Historically the first quarter accounts for only 15% of the whole EBITDA for the year. First quarter figures for Tryp are in line with our expectations

For your information, the funds generated through the disposals mentioned above, will be invested in the construction of a resort complex in Puerto Rico, scheduled to open in late 2002.

In addition, the EBITDA margin before rentals –EBITDAR - has been maintained on a like for like basis.

Performance regarding our latest acquisition of Tryp hotels has been very favourable and in line with expectations. The Fénix hotel, a flagship property acquired in the Tryp transaction will be refurbished during the course of 2001.

In addition to this unit, refurbishment of the future Meliá Barajas and Tryp Alameda, together with some additional hotels in Paris, will complete our current major refurbishment programme. EUR 12 million will be financed by the former owners of Tryp Hotels as agreed when the transaction took place.

Going forward, we feel confident that the performance of the European Resort Division will be satisfactory in the second quarter after a strong Easter holiday period. We also forecast continuity in the positive performance of the European City Division and in Latin America for the rest of the year.

Regards,

Onofre Servera

Chief Financial Officer

2. Information on Operations

2.1. PROPERTY BUSINESS

Please note that the figures for Tryp are fully consolidated in 2001 and that this was not the case in 2000. For the sake of a better comparison of the underlying business, the company reports the figures separately.

2.1.1. - Sol Meliá

RevPar in the Property Business – including Sol Meliá's owned and leased hotels - has increased by 8.79%, driven basically by the positive performance in Latin America and the Spanish city hotels.

With a 10.2% RevPar increase, the European City Division has evolved satisfactorily and in line with expectations, thanks to the very positive performance of the Spanish city hotels that have seen a RevPar increase of 17%. The unsatisfactory performance of the Meliá White House in London, currently affected by the last but largest phase of its renovation together with the negative impact on tourism of foot and mouth disease in the United Kingdom, has diluted the increase seen in Spain. In addition, the closure of the Meliá Royal Alma and Meliá Alexander in Paris has also had negative repercussions.

Sol Meliá would like to highlight the 11.3% increase in RevPar in Latin America, confirming our positive expectations and the improvement seen quarter by quarter over the last fifteen months.

The European Resort Division has performed in line with expectations. Although high room rates in the Canary Islands for the Millennium period event created pressure around price increases for the year, we have been able to maintain occupancy rates in the region. The general occupancy rate for the whole European Resort Division has increased.

The outlook for European Resort Division in 2001 is positive in light of the acceptable performance of the hotels during the Easter holidays, the impact of which will be reflected in second quarter figures. Furthermore, the progress of Tour Operator sales for the coming summer season allows us to feel comfortable about the performance of the Division for 2001.

Please find attached the hotel room statistics for the owned/leased hotels.

Table 1: Hotel statistics 01/00. Sol Meliá without Tryp (RevPar & A.D.R. in Euros)

OWNED & LEASED HOTELS	Mar-01/00	% OCCUPANCY	RevPar	A.D.R.
EUROPEAN RESORT	**2,001**	78.54%	29.24	37.23
	%o/2,000	**3.26%**	**5.2%**	**1.85%**
	2,000	76,1%	27,8	36,6
EUROPEAN CITY	**2.001**	61.6%	55.31	89.79
	%o/2,000	**-5.83%**	**10.2%**	**17.02%**
	2,000	65.4%	50.2	76.7
AMERICAS	**2.001**	73.48%	71.10	96.76
	%o/2,000	**3.07%**	**11.3%**	**7.94%**
	2,000	71.3%	63.91	89.64
TOTAL	**2.001**	71%	47.13	66.06
	%o/2,000	**-0.10%**	**8.79%**	**8.90%**
	2,000	71.4%	43.32	60,66

2.1.2. –Tryp hotels

RevPar of Tryp hotels has increased by 19.6%, reflecting the positive performance of Spanish hotels in general during the first quarter of 2001.

In the European Resort Division the 31.4% RevPar increase is explained by occupancy increases consequence of the sales policies applied during the period behind the aforementioned increases. Relationships with Tour operators have paid-off.

The RevPar increase in the European City Division is explained by an increase in A.D.R. due to the positive performance of the Spanish city hotel market and the increase in prices that Sol Meliá has established for Tryp hotels thanks to the change of segmentation from the leisure to corporate business, in order to achieve the expected EUR 3.5 million of revenue synergies on a yearly basis. The inclusion of Tryp hotels within our "SolRes" Central Reservation System has also paid off.

Table2: Hotel statistics 01/00. Tryp hotels (RevPar & A.D.R. in Euros)

OWNED&LEASED HOTELS MAR. 01-00		% Occupancy	RevPar	A.D.R.
EUROPEAN RESORT	**2.001**	64.22%	28.3	44.1
	%o/ 2000	**25.9%**	**31.4%**	**4.4%**
	2.000	51.01%	21.6	42.3
EUROPEAN CITY	**2.001**	57.14%	49	86
	%o/ 2000	**-3.2%**	**14.7%**	**18.5%**
	2.000	59.05%	42.7	72.3
TOTAL	**2.001**	60%	41.0	68.4
	%o/ 2000	**7.3%**	**19.6%**	**11.5%**
	2.000	55.82%	34.2	61.3

Please find below a breakdown of the components of growth in room revenues at the hotel level for owned and leased hotels taking into account the company as a whole. The increases in RevPar and in available rooms, consequence of the Tryp acquisition, explain the increase in Room Revenues in the European Divisions.

Please find below the Hotel Statistics of the total Group (Sol Meliá and Tryp for 2,001, Sol Meliá for 2,000) and notice how Tryp statistics dilute Sol Meliá's due to lower RevPars in both divisions.

OWNED & LEASED HOTELS Mar-01/00		% OCCUPANCY	RevPar	A.D.R.
EUROPEAN RESORT	**2,001**	75,19%	29,0	38,6
	%o/2,000	**-1,15%**	**4,41%**	**5,63%**
	2,000	76,06%	27,8	36,6
EUROPEAN CITY	**2.001**	59.97%	53.0	88.4
	%o/2,000	**-8,32%**	**5,61%**	**15,19%**
	2,000	65,41%	50,2	76,7
AMERICAS	**2.001**	73.48%	71.1	96.8
	%o/2,000	**3,07%**	**11,25%**	**7,94%**
	2,000	71,30%	63,9	89,6
TOTAL	**2.001**	68%	46	67
	%o/2,000	**-4,19%**	**5,16%**	**9,76%**
	2,000	71,42%	43,3	60,7

Table 3: Breakdown of total room revenues owned/leased hotels 01/00 (Sol Meliá and Tryp)

% Increase Mar 01/00	EUROPEAN RESORT	EUROPEAN CITY	AMERICAS	TOTAL
RevPar	4.4%	5.6%	11.3%	5.2%
Available Rooms	24.3%	64.9%	-8.3%	29.8%
Room Revenues	29.8%	74.1%	4.0%	36.5%

The increase in the number of available rooms in the European Divisions is due to the incorporation of Tryp hotels. The effect is more evident in the European City Division due to the numerous city locations of Tryp hotels. The decrease in available rooms in the Americas Division is due to the disposal of the 750 room resort complex in the Dominican Republic, Meliá Bávaro. Please note that increases in RevPar in the Division have mitigated the net contribution of the Meliá Bávaro in room revenues.

Table 4: Hotel revenues split 01/00 for owned/leased hotels (Sol Meliá and Tryp)

Mar-01/00	E.RESORT			E.CITY			AMERICAS			TOTAL		
(million Euro)	**01**	**%o/00**	**00**	**01**	**%o/00**	**00**	**01**	**%o/00**	**00**	**01**	**%o/00**	**00**
ROOMS	32	30%	24	58	74%	33	29	4,0%	28	117	37%	86
F&B	18	17%	16	20	81%	11	24	10%	22	64	33%	48
OTHER REVENUES	2	7%	2	6	49%	4	5	11%	5	14	24%	11
TOTAL REVENUES	52	24%	42	84	74%	48	58	7%	55	194.5	34%	145

The significant revenue increases are largely explained by the incorporation of Tryp hotels in the European Divisions.

2.2. MANAGEMENT BUSINESS

Management fees have increased by 15.7 % mainly due to the 29.5% increase in the Cuba Division. The recovery of the German and Canadian markets is behind the positive performance of the hotels.

The Americas Division also shows positive development, explained by the strong performance of the hotels during the quarter and the contribution of the most recent management contracts in Brazil.

The Asia-Pacific Division has seen a decrease in management fees of 3.1% due to the fact that one hotel in Thailand has been dropped from the company portfolio.

The 4% increase in management fees in the European City Division has been achieved in spite of the cancellation of management contracts and the acquisition of the Azafata hotel at a 5.06x EBITDA multiple, which represent 683 less rooms as compared to the previous year. Without cancellations Management fees would have increased by 9%.

Regarding the European Resort Division, the 15.1% increase in management fees is explained by both an increased number of rooms and a better performance of the hotels: 11% and 4.1% respectively.

Table 5: Management fee of hotels managed for third parties

FEE REVENUES (million Euro)		*Mar-01*	*Incr. 01/00*	*Mar-00*
EUROPEAN RESORT	**Basic**	1.04	8.4%	0.96
	Incentive	0.46	33.9%	0.34
		1.50	**15.1%**	**1.30**
EUROPEAN CITY	**Basic**	1.41	5.0%	1.34
	Incentive	0.46	1.3%	0.45
		1.86	**4.0%**	**1.79**
AMERICAS	**Basic**	1.17	3.0%	1.14
	Incentive	1.57	15.7%	1.35
		2.74	**9.9%**	**2.49**
ASIA-PACIFIC	**Basic**	0.43	-3.4%	0.45
	Incentive	0.42	-2.7%	0.43
		0.85	**-3.1%**	**0.88**
CUBA	**Basic**	3.30	39.2%	2.37
	Incentive	1.59	13.2%	1.41
		4.89	**29.5%**	**3.78**
TOTAL BASIC		7.35	17.5%	6.26
TOTAL INCENTIVE		4.50	12.8%	3.99
TOTAL		**11.85**	**15.7%**	**10.25**

2. Income Statement

- **Revenues**

  Total Revenues have increased by 32.67%. Our latest acquisition, Tryp hotels, is behind 23% of this growth. Revenues from hotels increased by 34%.

- **Operating Expenses**

  Rental expenses have increased substantially due to the incorporation of Tryp hotels which are predominantly leasehold properties.

  Personnel expenses have increased by 37%. Tryp hotels, is behind 25% of this growth.

  The cost of the e-transformation process represents EUR 2.1 million.

- **EBITDA**

  Total EBITDA has increased by 21.4% due to the strong performance of our city hotels in Spain and our properties in Latin America. If the company had not reduced capacity in Latin America and the Canary Islands – Meliá Bávaro, Sol Las Olas, Sol Inn Bardinos and Punta Elena Apartments- in comparison with last year the EBITDA growth would have been 31.7%. In this scenario, EBITDA growth excluding Tryp would have been 16%.

  Total EBITDAR – EBITDA excluding rentals- increased by 29%. EBITDAR margin has been maintained at 34% on a like for like basis.

- **Net Income**

  Net income has increased by 18.3%

  Net interest expenses have increased by EUR 4.2 million, mainly due to the EUR 340 million bond issue within the framework of the EMTN Program for the financing of Tryp hotels.

  Profit and loss from equity investment includes the accounts of Meliá Viajes which is expected to reach profitability at the beginning of 2003.

  Depreciation and amortization has also increased by 4 million Euros due to the increase in Assets, a consequence of the refurbishment and the five-year amortization period of the investments in e-transformation. The contribution of the adjustment of the Balance sheet to inflation in Latin America is EUR 3.2 million Euros.

  The extraordinary profit is explained by capital gains on the participation in AOL-Avant of EUR 7.5 Million. The contribution of the adjustment of the Balance sheet to inflation in Latin America to this item is 1.2 million Euros.

  The tax rate applied is 18%, which is especially low due to the positive fiscal impact of the EUR 350 million of Goodwill generated in the Tryp transaction. The positive fiscal impact at the Tax expense level is EUR 12.2 million on a yearly basis for the next ten years.

Table 6 : Sol Meliá Consolidated Income Statement.

(Millions Euros)	***Mar 01***	***Mar 00***	***% incr.***
Hotel Revenues	194.5	145.1	
Management Fees	11.9	10.2	
Other revenues	28.5	21.7	
Total revenues	**234.8**	**177.0**	**32.7%**
Raw Materials	(28.4)	(21.1)	
Personnel expenses	(72.4)	(52.9)	
Change in operating provisions	(0.9)	(0.3)	
Rental expenses	(7.8)	(2.6)	
Other operating expenses	(54.4)	(41.6)	
Total operating expenses	**(163.8)**	**(118.5)**	**38.2%**
EBITDA	**70.9**	**58.5**	**21.4%**
EBITDAR	**78.7**	**61.1**	**28.9%**
Profit/(loss) from equity investments	(1.0)	0.3	
Net Interest Expense	(14.9)	(10.7)	
Exchange Rate Differences	0.1	1.8	
Total financial profit/(loss)	(14.8)	(8.9)	
Depreciation and amortisation	(23.8)	(19.8)	
Consolidation Goodwill amortisation	(0.7)	(0.5)	
Profit/(loss) from ordinary activities	**30.6**	**29.5**	**3.6%**
Extraordinary profit/(loss)	9.2	5.3	
Profit before taxes and minorities	**39.8**	**34.8**	**14.3%**
Taxes	(7.2)	(7.0)	
Group net profit/(loss)	**32.6**	**27.9**	**17.1%**
Minorities (P)/L	(2.1)	(2.0)	
Profit/(loss) of the parent company	**30.6**	**25.8**	**18.3%**
CASH FLOW FROM OPERATIONS	**58.9**	**48.2**	**22.1%**

3. Balance Sheet

■ Assets

No significant changes took place at the Assets level during first quarter 2001.

■ Liabilities & Shareholder's Equity

Total net debt represents EUR 1,066 which implies a reduction of 2.6% in comparison to December 2000.

There has been a switch between " Debenture Bonds Payable " and the " L/T loans" items due to the bridge loan that the company had at the closure of the year 2000 for EUR 206 million. The definitive EUR 340 million bond issue occurred at the beginning of 2001.

Table 7: Consolidated Balance Sheet (million Euros)

ASSETS	*Mar 01*	*Dec 00*	
Cash on hand at banks	83.5	74.4	
C/A with equity affiliates	9.7	9.3	
Inventory	25.6	36.0	
Trade receivable	98.8	107.5	
Other receivable	101.6	92.3	
Allowance for doubtful accounts	(19.2)	(21.7)	
S/T securities portfolio	22.8	21.3	
Loans due from affiliates	0.2	0.2	
Other loans	23.0	22.2	
Prepaid expenses	6.2	7.9	
Holding of own shares	7.8	10.8	
CURRENT ASSETS	**360.1**	**360.3**	**0.0%**
Goodwill from co. Fully consolidated	393.8	394.4	
Goodwill from co. equity participated	1.9	2.0	
Intangible assets and rights	337.2	329.0	
Intangible assets provisions and amortisation	(30.1)	(25.7)	
Net intangible fixed assets	**702.8**	**699.6**	**0.5%**
Land and buildings	1,708.0	1,670.1	
Technical installations and machinery	194.4	181.7	
Other fixed assets	351.1	326.7	
Tangible assets provision and depreciation	(549.2)	(525.1)	
Net tangible fixed assets	**1,704.3**	**1,653.3**	**3.1%**
Equity Affiliates	20.3	21.6	
L/T loans due from affiliates	14.2	14.6	
L/T securities portfolio	114.0	110.1	
Other loans	42.5	44.7	
Provisions	(1.8)	(1.8)	
Financial investments	189.1	189.2	
FIXED ASSETS	**2,956.4**	**2,902.4**	**1.9%**
Deferred expenses	24.6	21.8	
Start-up expenses	19.2	20.9	
TOTAL ASSETS	**3,000.2**	**2,945.1**	**1.9%**

Table 8 : Consolidated Balance Sheet (continued)

LIABILITIES AND S/H'S EQUITY			
Debenture Bonds Payable	4.1	0.6	
S/T loans	166.7	149.1	
S/T loans due to affiliated companies	5.4	4.7	
Trade accounts payable	121.2	117.0	
Other payable	37.9	49.5	
Prepaid income	0.3	6.5	
Operating provisions	2.9	4.2	
TOTAL CURRENT LIABILITIES	**338.5**	**331.6**	**2.1%**
Debenture Bonds Payable	547.4	412.2	
L/T loans	431.7	607.9	
L/T loans due to affiliated companies	0.0	0.0	
Other L/T Liabilities	80.9	81.1	
TOTAL L/T LIABILITIES	**1,060.0**	**1,101.2**	**-3.7%**
Share capital	37.0	37.0	
Share premium	796.1	795.1	
Distributable reserves	30.6	30.6	
Reserves in companies fully consolidated	293.2	229.5	
Reserves in companies equity participated	3.1	2.2	
Revaluation reserves	48.3	48.3	
Non-distributable reserves	36.4	37.4	
Profit/(loss) previous year	48.1	0.0	
Differences in conversion of co. fully consolidated	106.7	59.3	
Differences in conversion of co. equity participated	(0.0)	(0.0)	
Consolidated profit/(loss)	32.7	118.6	
Profit/(loss) attributable to external shareholders	2.1	(6.0)	
Interim dividend	0.0	0.0	
TOTAL SHAREHOLDERS' EQUITY	**1,430.1**	**1,352.0**	**5.8%**
First consol. Reserves from co. fully consolidated	22.3	22.3	
First consol. Reserves from co. equity participated	0.2	0.2	
Deferred income	22.8	22.2	
Provisions for risks and expenses	63.2	56.7	
MINORITY INTERESTS	63.0	58.9	
TOTAL S/HS' FUNDS AND LIABILITIES	**3,000.2**	**2,945.1**	**1.9%**

Table 9. Liquidity Ratios

		Mar-01	Dec-00
A.SHORT TERM LIQUIDITY			
CURRENT RATIO	Current Assets/Current Liabil.	1.06	1.09
		3.94	4,52
B. LONG TERM LIQUIDITY			
GEARING RATIO	Net debt/Total Equity	71.4%	77.6%
DEBT TO EQUITY RATIO	Total liabil/Liabil.+Shareholders' Equity	46.6%	48.7%
NET DEBT TO MARKETCAP.	15-May-01	56.1%	57.7%

4. Expansion

The table below shows a description of the progress in the Sol Meliá hotel portfolio as of March 2001:

Table 10. Expansion plan.

PROPERTY & LEASE	01/01/2001		ADDITI		LOSSES		CHANGES		31/03/2001		SIGNED		TOTAL	
	H	R	H	R	H	R	H	R	H	R	H	R	H	R
EUROPEAN CITY	**76**	**12,247**	**1**	**68**	**0**	**0**	**0**	**0**	**77**	**12,315**	**18**	**2,612**	**95**	**14,927**
Owned Hotels	*36*	*6,894*	*0*	*0*	*0*	*0*	*0*	*0*	*36*	*6,894*	*3*	*442*	*39*	*7,336*
Leased hotels	*40*	*5,353*	*1*	*68*	*0*	*0*	*0*	*0*	*41*	*5,421*	*15*	*2,170*	*56*	*7,591*
EUROPEAN RESORT	**63**	**17,492**	**0**	**0**	**0**	**0**	**0**	**0**	***63***	***17,492***	**5**	**1,722**	**68**	**19,214**
Owned Hotels	*42*	*13,016*	*0*	*0*	*0*	*0*	*0*	*0*	*42*	*13,016*	*2*	*1,012*	*44*	*14,028*
Leased hotels	*21*	*4,476*	*0*	*0*	*0*	*0*	*0*	*0*	*21*	*4,476*	*3*	*710*	*24*	*5,186*
AMERICA *Owned*	***13***	***4,857***	***0***	***0***	***0***	***0***	***0***	***0***	***13***	***4,857***	***1***	***500***	***14***	***5,357***
TOTAL OWNED HOTELS	**91**	**24,767**	**0**	**0**	**0**	**0**	**0**	**0**	**91**	**24,767**	**6**	**1,954**	**97**	**26,721**
TOTAL LEASED HOTELS	**61**	**9,829**	**1**	**68**	**0**	**0**	**0**	**0**	**62**	**9,897**	**18**	**2,880**	**80**	**12,777**
TOTAL	**152**	**34,596**	**1**	**68**	**0**	**0**	**0**	**0**	**153**	**34,664**	**24**	**4,834**	**177**	**39,498**

MANAGEMENT & FRANCHISE		01/01/2001		ADDITI		LOSSES		CHANGES		31/03/2001		SIGNED		TOTAL	
		H	R	H	R	H	R	H	R	H	R	H	R	H	R
EUROPEAN CITY	**M**	30	4,529	1	82	0	0	0	0	31	4,611	5	651	36	5,262
	F	24	2,825	1	62	3	427	0	0	22	2,460	0	0	22	2,460
EUROPEAN RESORT	**M**	49	18,033	5	728	0	0	0	0	54	18,761	14	3,522	68	22,283
	F	17	5,302	0	0	0	0	0	0	17	5,302	2	520	19	5,822
AMERICA	**M**	23	4,344	2	372	0	0	0	0	25	4,716	29	5,727	54	10,443
	F	10	1,369	0	0	0	0	0		10	1,369	0	0	10	1,369
ASIA-PACIFIC	**M**	10	3,559	0	0	0	0	0	0	10	3,559	0	0	10	3,559
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUBA	**M**	20	7,385	0	0	0	0	0	0	20	7,385	5	2,375	25	9,760
SUBTOTAL	**M**	**132**	**37,850**	**8**	**1,182**	**0**	**0**	**0**	**0**	**140**	**39,032**	**53**	**12,275**	**193**	**51,307**
	F	**51**	**9,496**	**1**	**62**	**3**	**427**	**0**	**0**	**49**	**9,131**	**2**	**520**	**51**	**9,651**
TOTAL		**183**	**47,346**	**9**	**1,244**	**3**	**427**	**0**	**0**	**189**	**48,163**	**55**	**12,795**	**244**	**60,958**
TOTAL GROUP		**335**	**81,942**	**10**	**1,312**	**3**	**427**	**0**	**0**	**342**	**82,827**	**79**	**17,629**	**421**	**100,456**

Regarding the owned and leased hotels, the newest additions correspond to a leased hotel in Bilbao.

In the European City Division, the company has increased its capacity in Madrid with the franchise hotel Infanta Mercedes plus a new addition in Frankfurt. In this Division, three franchised hotels, two in Morocco plus one in France, have been dropped from the portfolio.

In the European Resort Division, four managed hotels have been incorporated in Morocco. Additionally the company has incorporated the Meliá Riviera hotel , its first property in the Lebanon.

In the Americas Division, two managed hotels have been incorporated in Sao Paulo in Brazil.

Table 11. Expansion summary

	HOTELS	ROOMS
01/01/2.001	335	81,942
ADDITIONS	10	1.312
LOSSES	3	427
31/03/2.001	342	82,827
SIGNED	79	17,629
NEGOTIATION	43	6,999

Table 12. Signed projects of owned and leased hotels

	2001		2002		2003		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	EUROPEAN CITY							
Spain	5	519	8	1,178	2	284	15	1,981
Italy	2	491	-	-	1	140	3	631
SUB-TOTAL	7	1,010	8	1,178	3	424	18	2,612
	EUROPEAN RESORT							
Spain	0	0	3	710	2	1,012	5	1,722
SUB-TOTAL	0	0	3	710	2	1,012	5	1,722
	AMERICAS							
Puerto Rico	0	0	1	500	-	-	1	500
SUB-TOTAL	0	0	1	500	-	-	1	500
TOTAL	7	1,010	12	2,388	5	1,436	24	4,834

Out of the detailed 24 projects, 6 with 1,954 rooms will be owned, requiring a total investment of 220 million Euros.

Table 13. Projects under negotiation:

	Hotels	Rooms
European City	8	1,392
European Resort	33	4,767
Americas	0	0
Cuba	2	840
Asia	0	0
TOTAL	*43*	*6,999*

Of the 43 projects, 26 of them are leases, 15 management contracts, 1 franchise contract and 1 acquisition.